

# Impact of COVID-19 on Indian Economy and Collection of GST in India

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## Abstract

The COVID-19 is one kind of infection, which affected all over the world and also disturb the economy of whole world. India is also affected by the COVID-19 infection and most of the peoples in India are infected by this COVID-19 virus, it also known as corona virus. In today scenario world best doctors is doing research for finding the vexing of COVID-19. The economy of India is directly or indirectly affected by this virus because this virus is effect all over the world economy. In this research article research find out what effect done corona virus on Indian economy and also find out the GST collection of India at the period of Lockdown. In this research article researcher find out that in March 2020 the collection of GST is lower as compare with previous month i.e. February 2020 GST collection, and economy of India is also fall down.

**Keywords:** Indian economy • COVID-19 • Tax collection • GST

## Introduction

The economy of any country is totally based on the tax collection and revenue of that particular country, but now a day's whole world is trying to fight against the COVID-19 virus and try to protect our country people's life.

In India COVID-19 virus is affected, so that our country Prime Minister government is took a biggest step to stop this virus in all over the India and they announced the Lockdown for control this situation [1-3].

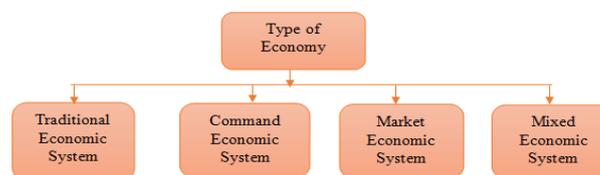
## What is an economy

An economy is one kind of system in which state or region of a country is trading a valuable thing, for increase the own country wealth and revenue.

An economy is most important for defining the financial position of any country. In easiest language Indian Stock Market system is define the economy of India.

The economy is mainly based on the Demand and supply of a product/products.

## Type of an economy



**Figure 1.** Type of economy.

**Traditional economic system:** In Traditional economic system each member has a pronounced role and member is specific, and in this economy, don't have so many resources and latest technologies, basically it's a ancient type of economics.

**Command economic system:** In command economic system government play an important role. This economic system is work according to government and government also provides policies and plans for increase the economy of the nation.

**Market economic system:** In market Economic System government don't play any kind of role, this system works according to the private firm, private business sector. It also called "Free Market

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Economy". In this type of economic system mainly focus how resources are allocated and to increase the sale of a particular product.

**Mixed economic system:** In Mixed Economic System both Command and Market Economic system done work together. In this type of economic System government play a partial role in private sector, and help to increase the trading of a product.

**What is COVID-19:** The COVID -19 is also known as the corona virus, its one kind of virus which affects the human life. The corona virus is infectious disease which first time founded in December 2019 in China. According to World Health Organization COVID-19 is a virus which may causes illness of animals or may be human also. Now a days corona virus is directly or indirectly effecting a human life and its harmful for human's life [4,5].

## Methodology

In this research article researcher done a review after reviewing some newspaper information, some article and through mass media information, all those sources are said that corona virus is not good for Indian economy because India is developing country, but due to effect of corona virus, India economy is falling down.

### Need of the study

Now a day's whole world tries to fight against the COVID- 19, India is also affected by this virus, because of this infected virus in India start a complete lockdown for overcome this particular infected virus. In today scenario economy of India is badly affected, because all industries are not working. In this study researcher trying to find out the impact of Indian economy due to lockdown period and also finding the how lockdown is affected GST collection in India. The need of the study to define the how much amount is collected through the GST collection.

### Objective of the study

In this research, researcher try to analyze the impact of corona virus on economy of India and also analyze the collection of GST collection in India, so, research used a various tool in this respective article. In this article research explore the tool of the study, Area of the Study, Design of the Study and also define the data collection of the study.

### Tools used in study

In this Study, researcher used some tools for reviewing the data, such as Metaphor, Imagery, Diction and Allusion also.

### Area of the study

Researcher is try to find out the impact of Indian economy due to lockdown period, so researcher take a whole India economy to done this study.

### Design of the study

This research article is descriptive in nature and exploratory in nature because this study is based on reviewing the figure and facts.

### Data collection of the study

In this research article, researcher used only secondary data, through various authentic website and articles, government website, newspapers, mass media and so on.

## Results and Discussion

### Impact of COVID-19 on Indian economy

The economy of India is affected due to reason of corona virus, because India is totally lockdown from 23rd March 2020 to 3rd May 2020. The lockdown time period is very long for fall down the economy level of India. To control the corona virus, government of India is taken biggest step and done the lockdown from the period of 23rd March 2020 to 14th April 2020, to save Indian citizen life and shutdown all the production, manufacturing, traveling, office work and said that "Stay Home and Stay Safe". But because of this lockdown India faced approx. 7-8 lack crore Rs Loss, but due to this virus the period of lockdown is extended from 15th April 2020 to 3rd May 2020, and all production manufacturing, services, traveling, factories etc. is not running, so because of lockdown 2 Indian economy faced approx 17.78 lack crore's Loss. According to some expert of economics India economy 70%affected due to this lockdown period, because during the lockdown all export, import, material transportation with in a state or material transportation from one state other state is totally shut down. The growth of Indian economy is now 4.5% which is fall down from the previous 6th month quarter GDP rate i.e. 5.8% [6-8].

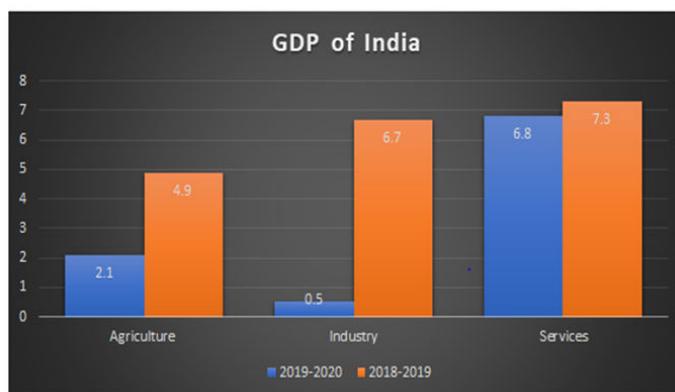


Figure 2. GDP of India.

Note\*: ■ 2019-2020; ■ 2018-2019.

In above graph, researcher define the GDP of India on the basis of 3 main pillar of Indian economy, in this research article, researcher said that the growth of Indian GDP is fall down as compare with the previous year. In Agriculture sector the GDP growth of 2019-2020 is approx 2.1% which fall down as compare with previous year (2018-2019), in previous year Agriculture GDP growth is approx 4.9 %. In Industry sector the GDP growth of 2019-2020 is approx 0.5% which is fall down as compare with previous year, in previous year i.e. in the year of 2018-2019 the growth of GDP is 6.7% and the Service sector growth in the year of 2019-2020 is approx 6.8% which approximately 1% down as compare with in the year of 2018-2019. In the year of 2018-2019 the GDP growth is approx 7.3%.

### Impact of corona virus on GST collection

During this lockdown period the Goods and Service Tax (GST) collection of India is also affected because most of the manufacturing units or all type of industries, Agriculture and Service Sector is not working nowadays, so it's directly affected the collection of India revenue which collected through collection of GST. The Government of India is extend the GST tax return last date February

2020, March 2020, and April 2020 GST return date is Extended to June 2020 by the Government of India. The number of GST return is fall down regularly in February 2020 approx 83 lack return was filled, in March 2020 the total return of GST is approx 76.5 lack.

**Table 1.** GST collection amount in India.

S.no	Month of GST collection	GST collection amount
1	Mar-20	Rs.97,597 crores
2	Feb-20	Rs.1.05 lack crores
3	Jan-20	Rs.1.10 lack crores
4	Dec-19	Rs.1.03 lack crores
5	Nov-19	Rs.1.03 lack crores

In this above table research defined that the collection of GST from the month of November 2019 to March 2020. The collection of GST is badly affected due to this lockdown period because all the factories, companies, office are not working now days. The collection of GST is falls down monthly due to this lockdown period. In November 2019 to March 2020 GST collection is continues fall down because now a days all kind of work is shut down.

After detail analysis of March 2020 collection total GST collection in March 2020 is 97,597 crores, in which Central Goods and Service Tax was collected Rs.19,183 crore, Integrated Goods and Service Tax was collected Rs.44,508 crore and State Goods and Service Tax was collected Rs.25,601 crores. According to some expert analysis GST collection in April will be approx. 80,000-85,000 crore.

## Conclusion

The corona virus is finally knocked the door of India, due to this virus Indian government taken a biggest step to protect our citizen life, they completely lockdown the India from the 23<sup>rd</sup> March 2020 to 3<sup>rd</sup> May 2020. The period of lockdown is badly affect the economy of India and also affect the GST collection in India. The total 70% of Indian economy is badly affected in the period of lockdown. To overcome the losses of Indian economy, government of India is should take a biggest step. The Indian economy is badly affected because as compare to other nation India is developing country.

According to some expert analysis the India economy is continue fall down because of the period of lockdown, and collection of GST tax is also not good because in India all industries, services are not working condition now a days. Economists were said that, this lockdown is done a badly effect on India economy because all material transportation is totally not working.

## Recommendation

After done this research, researcher suggest some key points so people can overcome this infected virus problem, people follow the social distancing and to overcome the economy problem government should change the future plan for collect the GST tax.

## Limitation of the Study

In this research article, researcher find out some limitation, at the time of doing the research, researcher faced problem for data collection because this topic is new and in future data may be change. And researcher find out the lack of previous studies done on this respective research area, and researcher examine that at the time of doing this research, researcher face a lack of time problem.

## Future Scope of the Study

The researcher said that, in this research article the future scope is high, researchers, scholars are done so many researches in this particular area in future because, in future the data should be change and economy is also fluctuate in future. In future researchers or scholars may have a final result related with this particular research area. So in future the research area is so high.

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